International Tax
Mauritius Highlights 2024

Updated January 2024

Investment basics

Currency: Mauritian Rupee (MUR)

Foreign exchange control: There is no foreign exchange control.

Accounting principles/financial statements: IAS/IFRS. Financial statements must be filed annually.

Principal business entities: These are the private and public limited liability company, sole proprietorship, branch of a foreign company, and *société.*

Corporate taxation

Rates	
Corporate income tax rate	15% (in general)
Branch tax rate	15% (in general)
Capital gains tax rate	0%

Residence: A company is resident if (i) it is incorporated in Mauritius, or (ii) it has its central management and control in Mauritius. However, a company incorporated in Mauritius will be treated as nonresident if it is centrally managed and controlled outside Mauritius.

Basis: Residents are taxed on worldwide income; nonresidents are taxed only on Mauritius-source income. Branches are taxed in the same way as subsidiaries.

Taxable income: Income tax is imposed on a company's chargeable income, which consists of business/trading profits and passive income. Normal business expenses are deductible in computing taxable income.

Rate

General

The standard rate is 15%.

Companies engaged in the export of goods are subject to tax at 3% on the chargeable income attributable to exports.

Surtax

There is no surtax.

Alternative minimum tax

There is no alternative minimum tax.

Global minimum tax (Pillar Two)

Mauritius is in the process of implementing rules that generally are in line with the global anti-base erosion (GloBE) or "Pillar Two" model rules published by the OECD/G20 Inclusive Framework on BEPS that are designed to ensure a global minimum level of taxation of 15% for multinational enterprise groups with annual consolidated revenue of at least EUR 750 million. Mauritius also intends to adopt a qualified domestic minimum top-up tax (sometimes referred to as a QDMTT) and detailed regulations will be issued.

Taxation of dividends: Dividends paid by a Mauritius-resident company are exempt from income tax. Foreign dividends are taxable, but a credit may be claimed for underlying tax and withholding tax.

Capital gains: No tax is imposed on capital gains.

Losses: Losses may be carried forward for five years, except for losses arising from annual allowances on capital expenditure incurred on or after 1 July 2006, which may be carried forward indefinitely. The carryback of losses is not permitted.

Foreign tax relief: Foreign tax paid may be credited against Mauritius tax payable on the same income. However, a company that claims a partial exemption for income (see "Other," below) will not be entitled to claim a credit in respect of the actual foreign tax suffered against the Mauritius tax liability arising on the same income.

A company holding a Global Business Company (GBC) license may claim either a partial exemption on specified categories of income (see "Partial exemption regime" under "Other," below), provided certain conditions are met, or a credit in respect of the actual foreign tax incurred.

Participation exemption: There is no participation exemption.

Holding company regime: There is no holding company regime.

Incentives: Manufacturing companies engaged in the medical, biotechnology, or pharmaceutical sector may benefit from a reduced tax rate of 3%, provided certain conditions are met. See also "Tax holiday" under "Other," below.

Other

Partial exemption regime

Under a partial exemption regime, an 80% exemption is available for specified categories of income for income tax purposes, provided certain conditions are met. Certain institutions, such as banks, insurance companies, and leasing companies, are not eligible to claim a partial exemption for interest income. Where the partial exemption is claimed, a company will not be entitled to claim a credit in respect of actual foreign tax suffered against the Mauritius tax liability arising on the same income.

Tax holiday

Newly established freeport operators and developers may benefit from an eight-year tax holiday, provided certain conditions are met and substance requirements are satisfied.

Compliance for corporations

Tax year: The tax year is the same as the company's accounting year.

Consolidated returns: Consolidated returns are not permitted; each company must file a separate return. There is no relief for group losses.

Filing and payment: Mauritius operates a self-assessment regime. Quarterly tax payments on account are required. Annual tax returns must be filed, and the balance of tax payable is due within six months of a company's year end.

Penalties: Penalties apply for late filing, and interest is charged for the late payment of tax.

Rulings: Taxpayers may request a ruling from the tax authorities on the tax consequences of transactions.

Individual taxation

Rates		
Individual income tax rate	**Taxable income (MUR)**	**Rate**
	Up to 390,000	0%
	390,001–430,000	2%
	430,001–470,000	4%
	470,001–530,000	6%
	530,001–590,000	8%
	590,001–890,000	10%
	890,001–1,190,000	12%
	1,190,001–1,490,000	14%
	1,490,001–1,890,000	16%
	1,890,001–2,390,000	18%
	Over 2,390,000	20%
Capital gains tax rate		0%

Residence: Individuals are resident if they are domiciled in Mauritius, spend 183 days or more in an income year in Mauritius, or have a combined presence in Mauritius of at least 270 days in the tax year and the two preceding tax years.

Basis: Mauritius residents are taxed on Mauritius-source income and foreign income remitted to Mauritius. Nonresidents are taxed only on Mauritius-source income.

Taxable income: Taxable income includes employment income, pensions, income from a trade or profession, rent, and interest.

Rates: As from 1 July 2023, a new progressive tax regime for individuals applies, with rates ranging from 0% to 20%, as shown in the table above. Also, the solidarity levy of 25% previously applicable on annual taxable income exceeding MUR 3 million has been repealed.

Capital gains: No tax is imposed on capital gains.

Deductions and allowances: As from 1 July 2023, the entitlement to income exemption threshold (IET) has been replaced by a deduction based on the number of dependents, as follows:

- One dependent: MUR 110,000
- Two dependents: MUR 190,000
- Three dependents: MUR 275,000
- Four or more dependents: MUR 355,000

Foreign tax relief: An individual is entitled to claim a credit for actual foreign tax suffered on foreign-source income against the Mauritius tax liability arising on the same income.

Compliance for individuals

Tax year: The tax year is from 1 July through 30 June.

Filing status: All individuals, including spouses, are required to submit a separate tax return and are assessed individually.

Filing and payment: Tax on employment income is withheld monthly by the employer under the pay-as-you-earn (PAYE) system and remitted directly to the tax authorities. Income not subject to PAYE is self-assessed, and the individual must make quarterly tax payments. An annual income tax return must be filed by 30 September following the end of the tax year.

Penalties: Penalties apply for late filing, and interest is charged for the late payment of tax.

Rulings: Taxpayers may request a ruling from the tax authorities on the tax consequences of transactions.

Withholding tax

Rates

Type of payment	Residents		Nonresidents	
	Company	Individual	Company	Individual
Dividends	0%	0%	0%	0%
Interest	0%	0%/15%	0%/15%	0%/15%
Royalties	10%	10%	15%	15%

Dividends: Mauritius does not impose withholding tax on dividends.

Interest: A 15% withholding tax generally applies to interest paid by any person, other than a bank or non-bank deposit-taking institution, to any person other than a company resident in Mauritius, unless the interest is specifically exempted or, in the case of interest paid to nonresidents, the rate is reduced under an applicable tax treaty.

Royalties: The general rate of withholding tax on royalties paid to nonresidents is 15% unless the rate is reduced under an applicable tax treaty. A 10% withholding tax generally applies to royalties paid to residents.

Fees for technical services: A 10% withholding tax generally is imposed on technical service fees paid to nonresidents for services rendered in Mauritius unless the fees are specifically exempted or the rate is reduced under an applicable tax treaty. Fees for technical services paid to residents are exempt from withholding tax.

Branch remittance tax: Mauritius does not impose a branch remittance tax.

Anti-avoidance rules

Transfer pricing: Mauritius does not have transfer pricing rules. However, legislation provides for an arm's length test, which requires that transactions between related parties be carried out at arm's length. See also "Disclosure requirements," below.

Interest deduction limitations: There are no interest deduction limitation rules. However, the domestic law provides that only interest expenditure incurred in respect of capital employed exclusively in the production of gross income is deductible for tax purposes.

Controlled foreign companies: A controlled foreign company (CFC) is defined as a nonresident company (including a permanent establishment) in which more than 50% of the participation rights are held directly or indirectly by a resident company and its associated enterprises. The CFC rules are applied where the tax authorities consider that the undistributed income of the CFC has arisen from "non-genuine arrangements" that have been put in place for the essential purpose of obtaining a tax benefit. Where the rules are applied, the CFC's undistributed income is deemed to be part of the chargeable income of the resident company.

The CFC rules do not apply under the following circumstances:

- The CFC's annual accounting profits do not exceed EUR 750,000 and its annual non-trading income does not exceed EUR 75,000;
- The CFC's accounting profits are less than 10% of its operating costs for the tax period; or
- The tax rate in the CFC's country of residence is greater than 50% of the tax rate in Mauritius.

Anti-hybrid rules: There are no anti-hybrid rules.

Economic substance requirements: Tax resident companies undertaking relevant and specified activities are required to have a substantive presence in Mauritius and meet the relevant economic substance requirements in relation to their activities.

Disclosure requirements: Country-by-country (CbC) reporting applies to multinational groups. The CbC reports are due 12 months after the end of the relevant fiscal year.

Exit tax: There is no exit tax.

General anti-avoidance rule: The legislation includes general anti-avoidance provisions where transactions have been entered into to obtain tax benefits.

Value added tax

Rates	
Standard rate	15%
Reduced rate	0%

Taxable transactions: VAT is imposed on the supply of goods and the provision of services.

Rates: The standard VAT rate is 15%. Some supplies are zero-rated or exempt.

Registration: The registration threshold is MUR 6 million.

Filing and payment: Filing and payment are made on a monthly or quarterly basis.

The Mauritius Revenue Authority (MRA) is introducing an e-invoicing system in a phased approach. Under this system, suppliers of goods and services will be required to fiscalize their invoices in real time with the MRA before issuing them to their customers.

Other taxes on corporations and individuals

Unless otherwise stated, the taxes in this section apply both to companies and individuals and are imposed at the national level.

Social security contributions: The employer must make pay-related social security contributions equal to 2.5% (for the National Solidarity Fund (NSF)) and 1.5% (for the Human Resource Development Council levy) of the monthly basic salary (the monthly salary is capped for NSF contributions). Contributions to the *Contribution Sociale Généralisée* (CSG) payable by the employer are based on specific remuneration brackets and are not capped.

The employee must make pay-related social security contributions equal to 1% (in respect of the NSF) of the monthly basic salary, subject to a cap. The CSG contributions payable by the employee are based on specific remuneration brackets and are not capped.

Payroll tax: There is no specific payroll tax, but employers must withhold tax from employees' salaries under the PAYE system.

Capital duty: There is no capital duty.

Real property tax: There is no real property tax.

Transfer tax: Transfer taxes may apply on the transfer of certain assets.

Stamp duty: There is no stamp duty.

Net wealth/worth tax: There is no net wealth tax or net worth tax.

Inheritance/estate tax: There is no inheritance tax or estate tax.

Tax treaties: Mauritius has concluded over 45 tax treaties. The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (BEPS MLI) entered into force for Mauritius on 1 February 2020.

For information on Mauritius' tax treaty network, visit Deloitte International Tax Source.

Tax authorities: Mauritius Revenue Authority

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